

AMENDED IN SENATE SEPTEMBER 2, 2011

AMENDED IN SENATE JULY 1, 2011

AMENDED IN ASSEMBLY MAY 5, 2011

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

**No. 983**

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**Introduced by Assembly Member Perea**  
**(Coauthors: Assembly Members Eng, Fong, Mendoza,**  
**V. Manuel Pérez, and Solorio)**  
**(Coauthor: Senator Wolk)**

February 18, 2011

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An act to amend Sections 116760.20, ~~116760.40, 116760.70, 116761.24, and 116761.50~~ of 116760.70, and 116761.23 of, and to add Section 116760.39 to, the Health and Safety Code, relating to public health, and making an appropriation therefor.

### LEGISLATIVE COUNSEL'S DIGEST

AB 983, as amended, Perea. Safe Drinking Water State Revolving Fund.

Existing law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting and enforcing regulations, and conducting studies and investigations to assess the quality of water in domestic water supplies.

Existing law establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans to provide for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law requires the department to establish criteria for projects to be eligible for the grant and loan program.

This bill would authorize the department to take specified actions to improve access to financial assistance for ~~projects serving small community water systems~~ *small community water systems and not-for-profit nontransient noncommunity water systems serving severely disadvantaged communities*, as defined. The bill would require the department to give priority in funding to projects that include consolidation with a small community water system and that will enable that system to meet drinking water standards, without regard to the project proponent, as provided.

Under existing law, not less than 15% of the fund is required to be expended for providing loans and grants to eligible projects by public water systems that regularly serve fewer than 10,000 persons.

~~This bill would authorize the department to fund up to 100% of the project costs for small community water systems serving severely disadvantaged communities, as defined, in the form of principal forgiveness or grant, if needed to ensure affordable water rates.~~

~~Existing law authorizes the department to enter into contracts with applicants for loans, the term of which may not exceed the useful life of the project or 20 years, whichever is shorter.~~

~~This bill would authorize the department to agree to extend the term of a loan to a disadvantaged community, as defined, beyond 20 years, but not beyond the life of the project or 30 years, whichever is less, in order to improve affordability.~~

*This bill would require small community water systems or nontransient noncommunity water systems, owned by a public agency or private not-for-profit water company, serving severely disadvantaged communities to be eligible to receive up to 100% of eligible project costs in the form of a grant, to the extent the system cannot afford a loan.* By authorizing additional uses for moneys in a continuously appropriated fund, this bill would make an appropriation.

*This bill would incorporate additional changes in Section 116761.23 of the Health and Safety Code proposed by AB 938, which would become*

*operative only if AB 938 and this bill are both chaptered and become effective on or before January 1, 2012, and this bill is chaptered last.*

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 116760.20 of the Health and Safety Code  
2 is amended to read:  
3 116760.20. Unless the context otherwise requires, the following  
4 definitions govern the construction of this chapter:  
5 (a) ~~“Cost-effective project” means a project that provides~~  
6 ~~long-term access to safe drinking water at a reasonable cost, which~~  
7 ~~shall be calculated based upon the capital costs and long-term~~  
8 ~~viability of the project as well as the affordability of continuing~~  
9 ~~operation and maintenance charges to ratepayers.~~  
10 (a) *“Acceptable result” means the project that, when*  
11 *constructed, solves the problem for which the project was placed*  
12 *on the project priority list established pursuant to Section*  
13 *116760.70, ensures the owner and operator of the improved or*  
14 *restructured public water system shall have long-term technical,*  
15 *managerial, and financial capacity to operate and maintain the*  
16 *public water system in compliance with state and federal safe*  
17 *drinking water standards, can provide a dependable source of safe*  
18 *drinking water long-term, and is both short-term and long-term*  
19 *affordable, as determined by applicable regulations adopted by*  
20 *the department.*  
21 (b) *“Cost-effective project” means a project that achieves an*  
22 *acceptable result at the most reasonable cost.*  
23 ~~(b)~~  
24 (c) *“Department” means the State Department of Public Health.*  
25 ~~(c)~~  
26 (d) *“Disadvantaged community” means a community that meets*  
27 *the definition provided in Section 79505.5 of the Water Code*  
28 *116275.*  
29 ~~(d)~~  
30 (e) *“Federal Safe Drinking Water Act” or “federal act” means*  
31 *the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)*  
32 *and acts amendatory thereof or supplemental thereto.*  
33 ~~(e)~~

1 (f) “Fund” means the Safe Drinking Water State Revolving  
2 Fund created by Section 116760.30.

3 ~~(f)~~

4 (g) “Funding” means a loan or grant, or both, awarded under  
5 this chapter.

6 ~~(g)~~

7 (h) “Matching funds” means state money that equals that  
8 percentage of federal contributions required by the federal act to  
9 be matched with state funds.

10 ~~(h)~~

11 (i) “Project” means proposed facilities for the construction,  
12 improvement, or rehabilitation of a public water system, and may  
13 include all items set forth in Section 116761 as necessary to carry  
14 out the purposes of this chapter. It also may include refinancing  
15 loans, annexation or consolidation of water systems, source water  
16 assessments, source water protection, and other activities specified  
17 under the federal act.

18 ~~(i)~~

19 (j) “Public agency” means any city, county, city and county,  
20 whether general law or chartered, district, joint powers authority,  
21 or other political subdivision of the state, that owns or operates a  
22 public water system.

23 ~~(j)~~

24 (k) “Public water system” or “public water supply system”  
25 means a system for the provision to the public of water for human  
26 consumption, as defined in Chapter 4 (commencing with Section  
27 116270), as it may be amended from time to time.

28 ~~(k)~~

29 (l) “Reasonable amount of growth” means an increase in growth  
30 not to exceed 10 percent of the design capacity needed, based on  
31 peak flow, to serve the water and fire flow demand in existence at  
32 the time plans and specifications for the project are approved by  
33 the department, over the 20-year useful life of a project. For  
34 projects other than the construction of treatment plants including,  
35 but not limited to, storage facilities, pipes, pumps, and similar  
36 equipment, where the 10-percent allowable growth cannot be  
37 adhered to due to the sizes of equipment or materials available,  
38 the project shall be limited to the next available larger size.

39 ~~(l)~~

1 (m) "Safe drinking water standards" means those standards  
2 established pursuant to Chapter 4 (commencing with Section  
3 116270), as they may now or hereafter be amended.

4 (m) ~~"Small community water system" has the same meaning~~  
5 ~~as set forth in subdivision (aa) of Section 116275.~~

6 (n) *"Severely disadvantaged community" means a community*  
7 *with a median household income of less than 60 percent of the*  
8 *statewide average.*

9 (n)

10 (o) "Supplier" means any person, partnership, corporation,  
11 association, public agency, or other entity that owns or operates a  
12 public water system.

13 ~~SEC. 2. Section 116760.40 of the Health and Safety Code is~~  
14 ~~amended to read:~~

15 ~~116760.40. The department may undertake any of the following~~  
16 ~~actions to implement the Safe Drinking Water State Revolving~~  
17 ~~Fund:~~

18 (a) ~~Enter into agreements with the federal government for federal~~  
19 ~~contributions to the fund.~~

20 (b) ~~Accept federal contributions to the fund.~~

21 (c) ~~Use moneys in the fund for the purposes permitted by the~~  
22 ~~federal act.~~

23 (d) ~~Provide for the deposit of matching funds and other available~~  
24 ~~and necessary moneys into the fund.~~

25 (e) ~~Make requests, on behalf of the state, for deposit into the~~  
26 ~~fund of available federal moneys under the federal act.~~

27 (f) ~~Determine, on behalf of the state, that public water systems~~  
28 ~~that receive financial assistance from the fund will meet the~~  
29 ~~requirements of, and otherwise be treated as required by, the federal~~  
30 ~~act.~~

31 (g) ~~Provide for appropriate audit, accounting, and fiscal~~  
32 ~~management services, plans, and reports relative to the fund.~~

33 (h) ~~Take additional incidental action as may be appropriate for~~  
34 ~~adequate administration and operation of the fund.~~

35 (i) ~~Enter into an agreement with, and accept matching funds~~  
36 ~~from, a public water system. A public water system that seeks to~~  
37 ~~enter into an agreement with the department and provide matching~~  
38 ~~funds pursuant to this subdivision shall provide to the department~~  
39 ~~evidence of the availability of those funds in the form of a written~~

1 resolution, or equivalent document, from the public water system  
2 before it requests a preliminary loan commitment.

3 (j) ~~Charge public water systems that elect to provide matching~~  
4 ~~funds a fee to cover the actual cost of obtaining the federal funds~~  
5 ~~pursuant to Section 1452(e) of the federal act (42 U.S.C. Sec.~~  
6 ~~300j-12) and to process the loan application. The fee shall be~~  
7 ~~waived by the department if sufficient funds to cover those costs~~  
8 ~~are available from other sources.~~

9 (k) ~~Use money returned to the fund under Section 116761.85~~  
10 ~~and any other source of matching funds, if not prohibited by statute,~~  
11 ~~as matching funds for the federal administrative allowance under~~  
12 ~~Section 1452(g) of the federal act (42 U.S.C. Sec. 300j-12).~~

13 (l) ~~Establish separate accounts or subaccounts, as required or~~  
14 ~~allowed in the federal act and related guidance, for funds to be~~  
15 ~~used for the administration of the fund and other purposes. The~~  
16 ~~department shall establish the following accounts within the fund,~~  
17 ~~including, but not limited to:~~

18 (1) ~~A fund administration account for state expenses related to~~  
19 ~~administration of the fund pursuant to Section 1452(g)(2) of the~~  
20 ~~federal act.~~

21 (2) ~~A water system reliability account for department expenses~~  
22 ~~pursuant to Section 1452(g)(2)(A), (B), (C), or (D) of the federal~~  
23 ~~act.~~

24 (3) ~~A source protection account for state expenses pursuant to~~  
25 ~~Section 1452(k) of the federal act.~~

26 (4) ~~A small system technical assistance account for department~~  
27 ~~expenses pursuant to Section 1452(g)(2) of the federal act.~~

28 (5) ~~A state revolving loan account pursuant to Section 1452(a)(2)~~  
29 ~~of the federal act.~~

30 (6) ~~A wellhead protection account established pursuant to~~  
31 ~~Section 1452(a)(2) of the federal act.~~

32 (m) ~~Deposit federal funds for administration and other purposes~~  
33 ~~into separate accounts or subaccounts, as allowed by the federal~~  
34 ~~act.~~

35 (n) ~~Determine, on behalf of the state, whether sufficient progress~~  
36 ~~is being made toward compliance with the enforceable deadlines,~~  
37 ~~goals, and requirements of the federal act and the California Safe~~  
38 ~~Drinking Water Act, Chapter 4 (commencing with Section 116270).~~

39 (o) ~~Improve access to financial assistance for projects serving~~  
40 ~~small community water systems by doing both of the following:~~

1     ~~(1) Establishing a payment process pursuant to which the~~  
2     ~~recipient of financial assistance would receive funds within 30~~  
3     ~~days of the date on which the department receives a project~~  
4     ~~payment request, unless the department, within that 30-day period,~~  
5     ~~determines that the project payment would not be in accordance~~  
6     ~~with the terms of the program guidelines.~~

7     ~~(2) Utilizing wire transfers or other appropriate payment~~  
8     ~~procedures to expedite project payments.~~

9     *SEC. 2. Section 116760.39 is added to the Health and Safety*  
10    *Code, to read:*

11     *116760.39. In addition to the actions described in Section*  
12     *116760.40, the department may, to implement the Safe Drinking*  
13     *Water State Revolving Fund, improve access to financial assistance*  
14     *for small community water systems and not-for-profit nontransient*  
15     *noncommunity water systems serving severely disadvantaged*  
16     *communities by doing both of the following:*

17     *(a) Working to establish a payment process pursuant to which*  
18     *the recipient of financial assistance would receive funds within 30*  
19     *days of the date on which the department receives a complete*  
20     *project payment request, unless the department, within that 30-day*  
21     *period, determines that the project payment would not be in*  
22     *accordance with the terms of the program guidelines.*

23     *(b) Investigating the use of wire transfers or other appropriate*  
24     *payment procedures to expedite project payments.*

25     *SEC. 3. Section 116760.70 of the Health and Safety Code is*  
26     *amended to read:*

27     *116760.70. (a) The department, after public notice and hearing,*  
28     *shall, from time to time, establish a priority list of proposed projects*  
29     *to be considered for funding under this chapter. In doing so, the*  
30     *department shall determine if improvement or rehabilitation of the*  
31     *public water system is necessary to provide pure, wholesome, and*  
32     *potable water in adequate quantity and at sufficient pressure for*  
33     *health, cleanliness, and other domestic purposes. The department*  
34     *shall establish criteria for placing public water systems on the*  
35     *priority list for funding that shall include criteria for priority list*  
36     *categories. Priority shall be given to projects that meet all of the*  
37     *following requirements:*

38     *(1) Address the most serious risk to human health.*

1 (2) Are necessary to ensure compliance with requirements of  
2 Chapter 4 (commencing with Section 116270) including  
3 requirements for filtration.

4 (3) Assist systems most in need on a per household basis  
5 according to affordability criteria.

6 (b) The department may, in establishing a new priority list,  
7 merge those proposed projects from the existing priority list into  
8 the new priority list.

9 (c) In establishing the priority list, the department shall consider  
10 the system's implementation of an ongoing source water protection  
11 program or wellhead protection program.

12 (d) In establishing the priority list categories and the priority  
13 for funding projects, the department shall carry out the intent of  
14 the Legislature pursuant to subdivisions ~~(e) and (f)~~ *(e) to (h)*,  
15 *inclusive*, of Section 116760.10 and do all of the following:

16 (1) Give priority to upgrade an existing system to meet drinking  
17 water standards.

18 (2) After giving priority pursuant to paragraph (1), consider  
19 whether the applicant has sought other funds when providing  
20 funding for a project to upgrade an existing system and to  
21 accommodate a reasonable amount of growth.

22 (3) Give priority to projects that include consolidation with a  
23 small community water system and that will enable that system to  
24 meet drinking water standards without regard to the project  
25 proponent, provided that the proponent is an eligible entity as  
26 defined in this chapter.

27 (e) Consideration of an applicant's eligibility for funding shall  
28 initially be based on the priority list in effect at the time the  
29 application is received and the project's ability to proceed. If a  
30 new priority list is established during the time the application is  
31 under consideration, but before the applicant receives a letter of  
32 commitment, the department may consider the applicant's  
33 eligibility for funding based on either the old or new priority list.

34 (f) The department may change the ranking of a specific project  
35 on the priority lists at any time following the publication of the  
36 list if information, that was not available at the time of the  
37 publication of the list, is provided that justifies the change in the  
38 ranking of the project.

39 (g) The department shall provide one or more public hearings  
40 on the Intended Use Plan, the priority list, and the criteria for

1 placing public water systems on the priority list. The department  
2 shall provide notice of the Intended Use Plan, criteria, and priority  
3 list not less than 30 days before the public hearing. The Intended  
4 Use Plan, criteria, and priority list shall not be subject to the  
5 requirements of Chapter 3.5 (commencing with Section 11340) of  
6 Part 1 of Division 3 of Title 2 of the Government Code. The  
7 department shall conduct duly noticed public hearings and  
8 workshops around the state to encourage the involvement and  
9 active input of public and affected parties, including, but not limited  
10 to, water utilities, local government, public interest, environmental,  
11 and consumer groups, public health groups, land conservation  
12 interests, health care providers, groups representing vulnerable  
13 populations, groups representing business and agricultural interests,  
14 and members of the general public, in the development and periodic  
15 updating of the Intended Use Plan and the priority list.

16 (h) The requirements of this section do not constitute an  
17 adjudicatory proceeding as defined in Section 11405.20 of the  
18 Government Code and Section 11410.10 of the Government Code  
19 is not applicable.

20 ~~SEC. 4. Section 116761.24 of the Health and Safety Code is~~  
21 ~~amended to read:~~

22 ~~116761.24. (a) Not less than 15 percent of the total amount~~  
23 ~~deposited in the fund shall be expended for providing loans and~~  
24 ~~grants to public water systems that regularly serve fewer than~~  
25 ~~10,000 persons to the extent those funds can be obligated for~~  
26 ~~eligible projects.~~

27 ~~(b) Small community water systems serving severely~~  
28 ~~disadvantaged communities, as defined in Section 75005 of the~~  
29 ~~Public Resources Code, shall be eligible to receive up to 100~~  
30 ~~percent of their project costs in the form of principal forgiveness~~  
31 ~~or grant, if needed to ensure affordable water rates.~~

32 ~~SEC. 5. Section 116761.50 of the Health and Safety Code is~~  
33 ~~amended to read:~~

34 ~~116761.50. (a) The department may enter into contracts with~~  
35 ~~applicants for grants or loans for the purposes set forth in this~~  
36 ~~chapter. Any contract entered into pursuant to this section shall~~  
37 ~~include only terms and conditions consistent with this chapter and~~  
38 ~~the regulations established under this chapter.~~

39 ~~(b) The contract shall include all of the following terms and~~  
40 ~~conditions that are applicable:~~

1     ~~(1) An estimate of the reasonable cost of the project or study.~~

2     ~~(2) An agreement by the department to loan or grant, or loan~~  
3 ~~and grant, the applicant an amount that equals the portion of the~~  
4 ~~costs found by the department to be eligible for a state loan or~~  
5 ~~grant. The agreement may provide for disbursement of funds during~~  
6 ~~the progress of the study or construction, or following completion~~  
7 ~~of the study or construction, as agreed by the parties.~~

8     ~~(3) An agreement by the applicant to proceed expeditiously with~~  
9 ~~the project or study.~~

10    ~~(4) An agreement by the applicant to commence operations of~~  
11 ~~the project upon completion of the project, and to properly operate~~  
12 ~~and maintain the project in accordance with the applicable~~  
13 ~~provisions of law.~~

14    ~~(5) In the case of a loan, an agreement by the applicant to repay~~  
15 ~~the state, over a period not to exceed the useful life of the project~~  
16 ~~or 20 years, whichever is shorter, except as provided in the federal~~  
17 ~~act, or in the case of a study, over a period not to exceed five years,~~  
18 ~~all of the following:~~

19     ~~(A) The amount of the loan.~~

20     ~~(B) The administrative fee specified in subdivision (a) of Section~~  
21 ~~116761.70.~~

22     ~~(C) Interest on the principal, which is the amount of the loan~~  
23 ~~plus the administrative fee.~~

24    ~~(6) In the case of a grant, an agreement by the public agency or~~  
25 ~~private not-for-profit water company to operate and maintain the~~  
26 ~~water system for a period of 20 years, unless otherwise authorized~~  
27 ~~by the department.~~

28    ~~(e) The contract may include any of the following terms and~~  
29 ~~conditions:~~

30     ~~(1) An agreement by the supplier to adopt a fee structure that~~  
31 ~~provides for the proper maintenance and operations of the project~~  
32 ~~and includes a sinking fund for repair and replacement of the~~  
33 ~~facilities in cases where appropriate. The fee structure shall also~~  
34 ~~provide an acceptable dedicated source of revenue for the~~  
35 ~~repayment of the amount of the loan, and the payment of~~  
36 ~~administrative fees and interest.~~

37     ~~(2) If the entire project is not funded pursuant to this chapter,~~  
38 ~~the department may include a provision requiring the applicant to~~  
39 ~~share the cost of the project or obtain funding from other sources.~~

1 ~~(d) The department may require applicants to provide security~~  
2 ~~for loan contracts.~~

3 ~~(e) The department may agree to extend the term of the loan~~  
4 ~~beyond 20 years, but shall not extend the term beyond the life of~~  
5 ~~the project or 30 years, whichever is less, for disadvantaged~~  
6 ~~communities in order to improve the affordability of the project.~~

7 *SEC. 4. Section 116761.23 of the Health and Safety Code is*  
8 *amended to read:*

9 116761.23. (a) The maximum amount of a planning grant  
10 permitted under this chapter for each participating public water  
11 system's share of the costs of the planning, engineering studies,  
12 environmental documentation, and design of a single project shall  
13 be no more than five hundred thousand dollars (\$500,000).

14 (b) Unless the department approves an increase pursuant to this  
15 subdivision, the maximum amount of a construction grant award  
16 authorized under this chapter to each participating public water  
17 system for its share of the cost of the construction of a single  
18 project shall be no more than three million dollars (\$3,000,000).  
19 The department may approve an increase in the maximum amount  
20 for a construction grant award authorized under this chapter so  
21 that the maximum amount of the construction grant award does  
22 not exceed ten million dollars (\$10,000,000) only if the department  
23 makes all of the following findings:

24 (1) A public water system that serves a disadvantaged  
25 community has a defined project need that exceeds the maximum  
26 grant amount of three million dollars (\$3,000,000).

27 (2) The defined project has been bypassed in at least one funding  
28 cycle due to a lack of funds.

29 (3) The defined project is eligible for funding pursuant to the  
30 program regulations.

31 (4) The defined project represents the highest public health risk  
32 among unfunded projects, as determined by the department  
33 according to its standard criteria.

34 (c) Total funding under this article for planning, engineering  
35 studies, project design, and construction costs of a single project,  
36 whether in the form of a loan or a grant, or both, shall be  
37 determined by an assessment of affordability using criteria  
38 established by the department.

39 *(d) Subject to all other limitations of this chapter, a small*  
40 *community water system or nontransient noncommunity water*

1 *system, owned by a public agency or private not-for-profit water*  
2 *company, serving severely disadvantaged communities shall be*  
3 *eligible to receive up to 100 percent of eligible project costs in the*  
4 *form of a grant, to the extent the system cannot afford a loan as*  
5 *determined by the department pursuant to Section 116761.20.*

6 *SEC. 4.5. Section 116761.23 of the Health and Safety Code is*  
7 *amended to read:*

8 116761.23. (a) The maximum amount of a planning grant  
9 permitted under this chapter for each participating public water  
10 system's share of the costs of the planning, engineering studies,  
11 environmental documentation, and design of a single project shall  
12 be no more than five hundred thousand dollars (\$500,000).

13 (b) Unless the department approves an increase pursuant to this  
14 subdivision, the maximum amount of a construction grant award  
15 authorized under this chapter to each participating public water  
16 system for its share of the cost of the construction of a single  
17 project shall be no more than three million dollars (\$3,000,000).  
18 The department may approve an increase in the maximum amount  
19 for a construction grant award authorized under this chapter so  
20 that the maximum amount of the construction grant award does  
21 not exceed ten million dollars (\$10,000,000) only if the department  
22 makes all of the following findings:

23 (1) A public water system that serves a disadvantaged  
24 community has a defined project need that exceeds the maximum  
25 grant amount of three million dollars (\$3,000,000).

26 (2) The defined project has been bypassed in at least one funding  
27 cycle due to a lack of funds.

28 (3) The defined project is eligible for funding pursuant to the  
29 program regulations.

30 (4) The defined project represents the highest public health risk  
31 among unfunded projects, as determined by the department  
32 according to its standard criteria.

33 (c) Total funding under this article for planning, engineering  
34 studies, *environmental documentation*, project design, and  
35 construction costs of a single project, whether in the form of a loan  
36 or a grant, or both, shall be determined by an assessment of  
37 affordability using criteria established by the department.

38 (d) *Subject to all other limitations of this chapter, a small*  
39 *community water system or nontransient noncommunity water*  
40 *system, owned by a public agency or private not-for-profit water*

1 *company, serving severely disadvantaged communities shall be*  
2 *eligible to receive up to 100 percent of eligible project costs in the*  
3 *form of a grant, to the extent the system cannot afford a loan as*  
4 *determined by the department pursuant to Section 116761.20.*

5 *SEC. 5. Section 4.5 of this bill incorporates amendments to*  
6 *Section 116761.23 of the Health and Safety Code proposed by*  
7 *both this bill and Assembly Bill 938. It shall only become operative*  
8 *if (1) both bills are enacted and become effective on or before*  
9 *January 1, 2012, (2) each bill amends Section 116761.23 of the*  
10 *Health and Safety Code, and (3) this bill is enacted after Assembly*  
11 *Bill 938, in which case Section 4 of this bill shall not become*  
12 *operative.*